

The European Commission Communication on Savings & Investments Union: Key takeaways for the EU asset management industry

March 2025

What has the European Commission published?

On 19 March 2025, the European Commission published its **communication** on its strategy for the EU's Savings and Investments Union (**Communication**).

Against a backdrop of rising geopolitical tensions, major investment needs and an economy caught in a low-growth cycle, the Communication outlines the steps the European Commission will take over the next two years to revive the EU economy and increase EU competitiveness. Interestingly, it also confirms that it will establish specific reporting channels in Quarter 2 of this year to allow market participants to detail barriers they have experienced within the single market which will inform the various proposals put forward by it.

In this briefing, we outline some of the key takeaways from the Communication for the EU asset management industry.

It is worth noting that any legislative proposal put forward by the European Commission must then be considered by the European Parliament and the Council of the European Union before it becomes law. The timeframes outlined below relate to when the Commission will publish such proposals which will then need to be considered by and negotiated with the co-legislators.

Issues identified by the Commission	Proposal put forward by the Commission	Timing proposed by Commission
<ul style="list-style-type: none"> Poor retail participation in EU financial markets which impacts on (i) the ability for retail investors to benefit from higher returns on their savings and (ii) economic growth, job creation and the range of financing available to EU companies 	<ul style="list-style-type: none"> The creation and publication of a European blueprint for retail savings and investment accounts or products as well as a recommendation on the tax treatment of such accounts. This proposal may look to leverage from the success of retail investor saving plans in jurisdictions such as Germany over recent years Finalisation of the EU Retail Investment Strategy 	<ul style="list-style-type: none"> Quarter 3 2025
<ul style="list-style-type: none"> Asset management groups with significant cross-border activities are subject to diverging application of EU law by national competent authorities (NCAs), resulting in unnecessary administrative burdens and barriers to cross-border business activities 	<ul style="list-style-type: none"> The transfer of certain (unidentified) supervisory tasks from NCAs to EU-level supervision The publication of measures to strengthen supervisory convergence tools to achieve more integrated and harmonised supervision of those tasks which continue to be monitored at NCA level 	<ul style="list-style-type: none"> Quarter 4 2025
<ul style="list-style-type: none"> Asset managers operating as a group structure across multiple Member States are required to allocate similar resources to each entity, resulting in unnecessary duplication of burdens and costs 	<ul style="list-style-type: none"> The publication of measures to reduce operational barriers affecting cross-border groups in order to simplify operations of asset managers and ensure a more efficient access and servicing of clients 	<ul style="list-style-type: none"> Quarter 4 2025
<ul style="list-style-type: none"> National barriers, divergent practices and gold-plating has impeded the cross-border distribution of funds within the EU, resulting in reduced investment opportunities and increased costs for investors 	<ul style="list-style-type: none"> The publication of legislation to remove barriers to the distribution of EU- authorised funds throughout the EU 	<ul style="list-style-type: none"> Quarter 4 2025
<ul style="list-style-type: none"> The EU Securitisation Framework should be further simplified to stimulate private funding to EU companies and to further boost competitiveness 	<ul style="list-style-type: none"> The publication of proposals on simplifying due diligence requirements currently imposed on institutional investors (such as fund management companies), transparency requirements and adjusting prudential requirements for banks and insurers 	<ul style="list-style-type: none"> Quarter 2 2025
<ul style="list-style-type: none"> EU venture capital and growth capital funds are unreliable sources of financing for young EU companies, resulting in them seeking late-stage growth capital from non-EU venture capital funds or being acquired by non-EU companies before they scale The EuVECA label has not been widely used due to regulatory limitations that affect its attractiveness and its positive impact on local venture capital markets 	<ul style="list-style-type: none"> The publication of measures to boost secondary markets for private capital and allow investors in private companies exit their investments in startups Review and upgrade the EuVECA Regulation to make this label more attractive, including by widening the scope of investable assets and strategies Ensuring that EU listings rules are simple and minimise burdens so as to make EU public markets more attractive 	<ul style="list-style-type: none"> Quarter 3 2026

Next steps

While it will only be possible to fully assess the likely impact of the European Commission's proposals on the EU asset management sector as and when they are published over the next two years, the Communication does provide a clear indication of why and how it proposes to reform and revitalise EU capital markets over the coming years.

We would encourage those operating in the EU asset management sector to provide their feedback on barriers they have encountered within the EU single market using the reporting channels which are to be established in Quarter 2 of this year so as to inform and influence the various proposals put forward by the European Commission over the next 24 months.

If you have any questions arising from this briefing, please get in touch with any of the authors or your usual contact in the Dillon Eustace Asset Management and Investment Funds team.

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